

Proposed Substantial Amendment to the Fiscal Year 2008 Action Plan pertaining to the Community Development Block Grant Recovery (CDBG-R) funds

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act (ARRA). Under ARRA, the City of Mountain View is eligible to receive a total of \$183,902 in Community Development Block Grant Recovery (CDBG-R) funds. The Department of Housing and Urban Development (HUD) requires that the City of Mountain View prepare and submit a Substantial Amendment to its FY 2008-09 Consolidated Plan Action Plan that outlines how the City will administer the one-time allocation of funds.

This document presents a detailed description of the proposed Substantial Amendment to the FY 2008-09 Action Plan. The information contained herein, along with the amended FY 2008-09 Action Plan may be viewed on the City's website at www.mountainview.gov in the *Announcements* section.

CDBG-R

CDBG-R funds enable local governments to undertake a wide range of activities intended to create suitable living environments, provide decent affordable housing and create economic opportunities, primarily for persons of low and moderate income. As specified under the Recovery Act, the City has given priority for use of the funds to a project that can award a contract based on bids within 120 days of the grant agreement.

Contents of the Substantial Amendment to the FY 2008-09 Action Plan

2.a.i. Description of the Activities Mountain View will undertake with these funds to address priority needs and objectives.

The City proposes that ninety percent (90%) or \$165,512 of the CDBG-R funds be made available for green rehabilitation of the Maryce Freelen Apartments, a 74-unit affordable housing apartment complex located at 2230 Latham Street in Mountain View (refer to Table 1). The remaining ten percent (10%) of the funds, \$18,390, would be used for the City's administration of the green rehabilitation

project. The CDBG-R funds would be used in combination with FY 2009-10 CDBG funds to replace dilapidated, deteriorated windows and frames with energy efficient windows and casings. Such activities are specifically listed as eligible under the CDBG-R funding.

Table 1: CDBG-R Fund Allocations and Restrictions

	April 28, 2009 Council Decision on Allocation of the CDBG-R funds	HUD Restrictions on Use of CDBG-R Funds	Mountain View's CDBG-R Funding based on Actual HUD Allocation and Guidance on Use of the Funds
Administration	Maximum amount allowable	10%	\$ 18,390
Capital Projects: Green rehabilitation of a subsidized apartment complex –Phase 1 energy efficiency window installation	Balance of funds remaining after administration and public service allocations	Must benefit a majority of lower income persons, households, or areas	\$165,512
Totals	\$183,902	N/A	\$183,902

The total project cost is \$558,476. The \$165,512 in CDBG-R funds that would go toward the Maryce Freelen Green Rehabilitation Project would be supplemental to FY 2009-10 CDBG capital funds that have been allocated for the project as shown in Table 2.

Table 2: Allocation of Funds for the Project

Sponsor	Project		Amount	Source	Allocation of Funding to the Project
Mid Peninsula Housing Coalition	Phase One of Sustainable Rehabilitation: Energy Efficiency Windows for the Maryce Freelen Apartments	Developer’s Total Contribution to Project	\$139,619	Developer’s Funds	\$139,619
		City’s Total Contribution to Project	\$418,857	FY 2009-10 CDBG Capital Funds	\$253,345
				FY 2008-09 CDBG-R Funds	\$165,512
TOTAL Project Cost					\$558,476

2.a.ii. A description of how the distribution and uses of the grantee's CDBG-R funds will meet the requirements of Title XII of Division A and Section 1602 of the Recovery Act.

Title XII of Division A gives priority to projects that can award contracts based on bids within 120 days from the date the funds are made available to the recipients. Section 1602 gives preference to projects and activities that can be started and completed expeditiously and notes a goal of obligating at least 50% of the funds not later than June 17, 2009.

The project selected to receive 90% of the CDBG-R funds is the Maryce Freelen Green Rehabilitation Project, which will commence within the 120-day timeframe and is projected for completion within four months of the bid award date. In anticipation of receiving a portion of FY 2009-10 CDBG capital funding, the project sponsor and property owner, have prepared their bid process to be in compliance with State and Federal Labor standards.

2.a.iii and iv. A written description of how the use of CDBG-R funds for the activity will maximize job creation and economic benefit in relation to the CDBG-R funds obligated, and will address the Recovery Act. For each activity, note the number of full- and part-time jobs estimated to be created and retained by the activity.

The green rehabilitation project satisfies the following objectives of job creation and economic benefit:

The project will preserve jobs and livelihoods for classifications of workers adversely impacted by the recent economic downturn: construction workers and laborers and construction material suppliers. The project is anticipated to require three to five workers on-site to remove the deteriorated windows and replace them with new, energy-efficient windows. The window manufacturer and supplier will also benefit from the project, since the estimated cost of the windows (\$150,790), which represents 27% of the project cost, will assist in supporting that business entity.

There are economic benefits to the surrounding neighborhood, community and tenants in maintaining subsidized (affordable) properties over time. Subsidized complexes typically have restricted rents which reduce the capacity to build reserves and also have deed provisions that may limit refinancing options. Assisting subsidized property owners with rehabilitation financing would contribute to the long-term maintenance of these sites while preserving their affordability and housing opportunities for lower income tenants. Green rehabilitation projects, in particular, not only assist in maintaining the appearance of the property but also results in a direct benefit to lower-income tenants residing in the units who would consume less energy and, in return, receive lower utility bills.

2.a.v. A description of the activities that will be carried out with CDBG-R funds that promote energy conservation, smart growth, green building technologies, or reduced pollution emissions.

The energy-efficiency windows that will be installed during completion of the project will be energy-rated and result in a reduction in the use of heating and cooling utilities. The estimated per-unit/household cost savings over a 30-year period amount to \$4,800 from reduced energy consumption.

2.a.vi. Citizen Participation - Information on how to contact grantee program administrators, so that citizens and other interested parties know who to contact for additional information.

The City's Citizen Participation Plan for the HUD Consolidated Plan requires a thirty-day (30-day) public comment period and a public hearing for substantial amendments. To aid grantees in meeting the submission deadline, the CDBG-R notice reduced the 30-day requirement to seven (7) days. The City held an eight-day (8-day) public review and comment and review period from May 11, 2009 to May 19, 2009. The Mountain View City Council will hold a public hearing on May 19, 2009 to consider this draft Substantial Amendment located in the Council Chambers of the City Hall, located at 500 Castro Street, Mountain View, California, 94041.

Copies of this Draft Substantial Amendment are available at the City library, Mountain View Community Center, City Hall, and www.mountainview.gov. Information regarding this matter may be obtained from the City of Mountain View, Housing and Neighborhood Services Division office located at 500 Castro Street, Mountain view, CA 94041 or by telephone at (650) 903-6049. Please mail written comments to Housing and Neighborhood Services Division, City of Mountain View, P.O. Box 7540, Mountain View, CA 94039, Attention: Regina Adams or submit comments via email to regina.adams@ci.mountainview.gov.

2.a.vii. A signed standard federal form SF-424, and signed certifications as specified in section II.H of this notice.

The certifications will be signed upon final City approval of the amendments, prior to the submission to HUD.